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SUBJECT: Uruguay Recognizes the Importance of a New Climate Change

Agreement

REF: STATE 3080

- 1. On January 21, Charge met with Minister of the Environment Carlos Colacce and advisor Dr. Daniel Rueda to discuss reftel demarche and Uruguay's plans to counter climate change. Minister Colacce, who was present in Copenhagen, noted that although seen by many as a failure, the Copenhagen summit represents another step forward in the long-term process of dealing with climate change. He will make his recommendation to associate with the Copenhagen Accord at President Vazquez' January 25 cabinet meeting. Currently, Colacce is not aware of any opposition to Uruguay's association with the Accord. Nevertheless, the Minister noted that it was premature to count Uruguay in at this time, noting that the process seems rushed and that they have been unable to locate a final version of the Accord in Spanish. In the case that Uruguay decides to associate, they are currently undecided on the level of detail they will report on mitigation goals and targets in Appendix II.
- 12. Colacce mentioned his concern that the Accord's language on which countries will be the priorities for adaptation funding (specifically mentioning least developed countries, small island developing states, and Africa) may rule out Uruguay from receiving adaptation funds. The GOU pointed out that Uruguay is particularly vulnerable to the effects of climate change, and should not barred from this funding. Uruguay is a coastal country with over 50 percent of its population living on the coast, and houses Uruguay's tourism industry which makes up 5 percent of GDP, tourism-related construction excluded. Additionally, Uruguay has suffered extreme climate variation, resulting in long bouts of droughts and floods, which threatens its agricultural industry, which makes up 10 percent of GPD. The GOU estimated losses of USD 868 million from the six-month drought in 2009, the equivalent to around 1.5 percent GDP. Also, 70 percent of Uruguay's electricity comes from hydropower, and during times of drought Uruguay faces severe energy shortages.
- 13. Colacce emphasized that the GOU has been a cooperative international partner on climate change, having participated in the Convention since its inception, and set voluntary targets for emissions cutting even as a developing country. Uruguay was the co-leader of the Ad Hoc Working Group on Long-term Cooperative Action under the Convention subcommittee on enhanced action on mitigation of climate change in agriculture— the only working group that was able to successfully complete and submit a proposal for the Accord. The GOU is also an effective partner for aid in general; it is often chosen as a pilot country for programs due to its small size, transparent government, and its well-established reputation as a responsible executor of international funds. It is currently conducting GEF-funded research on green house gas emissions in agriculture and projects for adaptation in coastal areas.

- 14. Colacce and Rueda underlined that the GOU has committed to increasing non-traditional renewable energy use for electricity from 6 to 15 percent by 2015 through a combination of wind, biomass, and solar power. On February 10 the GOU will release an updated national plan following the creation of the National System for Climate Change in May 2009, an interagency workgroup dedicated to prioritize climate change strategies for the coming years. The plan will outline cross-cutting strategies for the major adaptation problems confronting Uruguay including, but not limited to, in the agricultural sector, meteorology, water management, land use management, and outreach on the effects of climate change.
- 15. Comment: Uruguay has been a serious participant in the climate change negotiations and can be helpful in G77 discussions in the future. While the GOU has a fairly clear plan on both adaptation and mitigation, it will only be able to proceed at a faster pace with international cooperation. Post strongly believes that inclusion of Uruguay, in a modest way, in U.S. adaptation and land use funding mechanisms, would be an extremely effective means to obtain their support in the ongoing negotiating process. The sums can be small, but the recognition that Uruguay is particularly vulnerable to increasing climate variability, rise in sea levels, and other climate change impacts, will be of tremendous value. Embassy Montevideo will continue to seek opportunities to engage Uruguay through existing mechanisms such as expert speakers and facilitating joint research. End comment.

 Matthewman